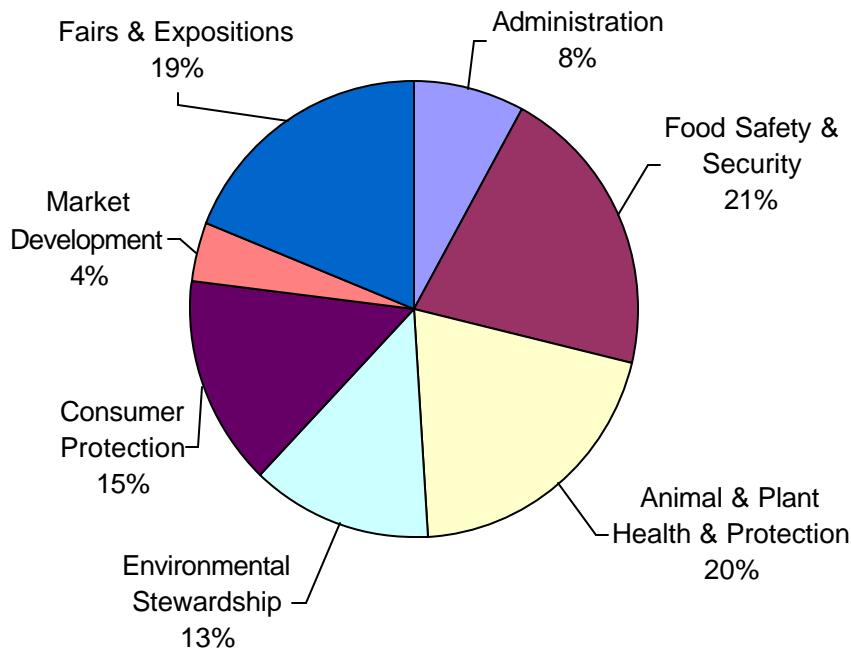


# Department of Agriculture

The Department of Agriculture provides services to the Michigan food and agriculture community through a variety of food safety, environmental protection, and animal and plant health programs. Agriculture is Michigan's second largest industry and the state is ranked #1 nationally in the production of many agricultural products. The Governor's proposed budget for fiscal year 2004 recommends total funding of \$89.2 million, of which \$31.4 million is general fund.

## Over Half of the Budget Supports Consumer Programs



**Total: \$89.2 Million**

### Department Priorities

- Ensure a safe, secure and wholesome food supply.
- Protect Michigan's natural resources by promoting environmental stewardship and preventing agriculture-related pollution.
- Protect animal and plant health.
- Promote viable agriculture development and economic profitability for Michigan farmers.
- Assure consumer protection and fairness in the marketplace by regulating gasoline sales and the accuracy of weights and measures, and by using state-of-the-art diagnostic tools to test food and agricultural products.

## **Agriculture Budget Highlights**

- ◆ The fiscal year 2004 budget for the Department of Agriculture reflects the Governor's commitment to ensuring a safe food supply by maintaining the fiscal year 2003 level of support of \$25.4 million for various food safety efforts. Included in these efforts are state and local licensing and inspection of local food establishments and dairy operations, laboratory testing of fresh commodities and processed food, and investigating food borne illnesses. Through enforcement of the state's strict food and dairy laws, the department works to ensure continued safety at each step of the food chain.
- ◆ Michigan continues its effort to eradicate bovine tuberculosis (TB) from Michigan's livestock populations. The Governor's fiscal year 2004 recommendation continues the fiscal year 2003 level of support for the bovine tuberculosis program at \$3.4 million. These resources will provide continued monitoring and periodic surveillance testing for cattle herds across the state. Over 3,000 cattle herds were tested in 2002. Michigan is diligently working to obtain a split-state bovine TB designation from the U.S. Department of Agriculture, which will greatly enhance livestock producers' market opportunities in other states.
- ◆ Environmental stewardship is a priority in Michigan. The safeguarding of our groundwater and surface waters is assured via the department's efforts to work with farms in the proper handling, storage and disposal of pesticides and fertilizers. Assistance is also provided to livestock facilities to develop stream bank fencing to protect surface water quality, and manure management for odor abatement. The Governor's fiscal year 2004 recommendation provides funding support of \$7.5 million for agriculture pollution prevention and sound environmental stewardship practices.
- ◆ The preservation of farmland and open space is essential to the management of urban sprawl and protecting the character of our rural communities. The fiscal year 2004 recommendation continues the fiscal year 2003 level of support of \$700,000 for the Farmland and Open Space Preservation program. This program addresses the on-going concern over the loss of farmland to commercial and residential development. Under the program, the state protects parcels from development by entering into development rights agreements (easements). Tax credits are provided to the landowners in return for their promise to maintain the land for agricultural purposes.
- ◆ The fiscal year 2004 budget reflects an alignment of agency spending for horse race industry activities by utilizing equine industry revenue to support department operations that provide direct services to the horse racing industry. A corresponding reduction in horse race grant support is also recommended. As a result of these adjustments, a savings to the general fund of \$2.0 million will be achieved.

- ◆ The Governor's commitment to promotion of the agricultural industry, including the growth of more food-processing operations, and the aggressive marketing of Michigan products, is reflected in the fiscal year 2004 recommendation. For fiscal year 2003, the marketing program was funded at \$2.6 million. The fiscal year 2004 recommendation maintains this level of support for the continued development and expansion of both domestic and foreign markets for Michigan-grown and processed commodities.
 

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*"Agriculture is not only an important part of our entire economy, it is also the anchor for scores of rural communities. To support our state's farmers and business, Jennifer Granholm will start a "Buy Michigan" program, encouraging all state and local agencies and facilities to purchase Michigan products."*

**Governor Granholm, Securing Michigan's Future, 2002**

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- ◆ Fund shifts to available restricted fund revenues totaling \$275,000 for consumer protection, laboratory, and animal health programs will allow for equal savings in general fund revenues.
- ◆ The fiscal year 2004 recommendation includes proposed incremental user fee increases for nursery stock inspections, pesticide applicator fees, metrology lab fees, animal industry program fees, and right to farm fees totaling \$549,000. The proposed fee increases will properly align costs associated with services provided to industry with the recipient of those services, while saving \$549,000 in general fund revenues.
- ◆ Through the elimination of a seed germination program (\$452,000) and various administrative efficiencies, a \$752,000 savings to the general fund will be achieved.
- ◆ Funding support for the Michigan State Fair is continued at the fiscal year 2003 level \$5.1 million, all state restricted revenues.

# Fiscal Year 2004 Governor's Recommendation

## Department of Agriculture

(\$ in Thousands)

	<b>FY03 Enacted</b>	<b>FY03 Current Law</b>	<b>FY04 Recommended</b>	<b>% Change</b>
GF/GP	\$39,077.5	\$36,773.7	\$31,404.0	-19.6%
All Funds	\$95,730.8	\$94,027.3	\$89,244.0	-6.8%

<b>Program</b>	<b>GF/GP</b>	<b>All Funds</b>
Food Safety & Security	\$6,825.8	\$18,793.2
Animal & Plant Health & Protection	\$9,028.2	\$17,708.8
Fairs & Expositions	\$0.0	\$17,295.9
Consumer Protection	\$3,461.4	\$13,229.6
Environmental Stewardship	\$4,054.0	\$11,318.3
Administration	\$6,074.5	\$7,566.0
Market Development	\$1,960.1	\$3,332.2
<b>Total FY 2004 Recommendation</b>	<b>\$31,404.0</b>	<b>\$89,244.0</b>